

**Abstract:-**

- This article aims to examine the role of SHG loan in agriculture. It also analysed the savings and loan utilization pattern of the women members of SHG practicing agriculture in Khanapur taluk of Belgaum district. The important findings were that the loans taken by the women SHG members have helped them to utilize that loan for different types of agricultural activities. They include purchasing of fertilizers, hiring of labour and tractor charges, harvesting and

## IMPACT OF SHG FINANCE ON AGRICULTURE IN BELGAUM DISTRICT



clearing mud tracks on agricultural fields. The women members of SHGs practicing agriculture should be properly and adequately financed so that they can sustain their livelihood and carry some income-generating activities through which they can increase their income.

**Keywords:**

Self Help Groups, Agriculture, loan utilisation.

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## INTRODUCTION

Self Help Groups first emerged in 1985 in Mysore Resettlement and Development Agency (MYRADA), a Karnataka-based NGO. Initially they were called Credit Management Groups of Self Help Affinity Groups (SAGs). Myrada entered into a contract with NABARD in 1986-1987 to take up a pilot project to promote these groups. Later these groups came to be known as the self-help groups (SHGs). They are the small economically homogenous groups comprising of rural poor who voluntarily deposit in a common fund to save a small amount regularly and through which they can meet their financial needs and provide collateral free loans among its members. These groups encourage the habit of saving and also provide small loan to its members known as Micro-finance. Micro-finance in turn helps them to improve their living standards and fulfill their credit needs. Therefore Self Help Groups (SHGs) are the major achievement in the field of rural economic development in order to finance the rural women folk and also to meet their credit needs.

## REVIEW OF LITERATURE

Palanichamy 2011 examined the role of microfinance in women empowerment in Tamil Nadu. The study reveals that majority of members belonged to Agriculture family, their incomes have increased, self confidence has built up. It suggested that SHGs should be encouraged to take up new innovation.

Gangaiah et.al 2007 examined the Rashtriya Seva Samithi in Andhra Pradesh. It revealed that the major amount of loan was disbursed for agriculture followed by dairy and cloth business. The highest number of employment was generated in agriculture. The loan provided to SHGs had a favourable impact on income. The highest increase was noticed in agriculture. It was also observed that micro-credit had a quality improving effects on the families with productive utilization of income.

Most of the studies found are concentrating on the issues linking Micro-finance related to women empowerment, poverty alleviation, financial inclusion and bank linkage programme, but it has been least studied with regard to analyzing the role of micro finance in enhancing agriculture activities. The following study therefore aims to examine the role of SHG loan in livelihood of women agriculturists of the study area.

## OBJECTIVES OF THE STUDY

The following article aims at the following objectives. They are:-

- 1) To understand the socio-economic pattern of the respondents
- 2) To study the saving and loan utilization pattern of SHG women practicing agriculture.

## METHODOLOGY OF THE STUDY

This study is based on primary data collected through field work in Self Help Groups located in Khanapur Taluk of Belgaum district. Convenience and purposive sampling is adopted for the study. 50 women respondents practicing agriculture from these SHGs have been interviewed using a structured questionnaire. The information collected from the field work is tabulated using percentages. It will also be presented with the help of graphs and charts.

## RESULTS AND DISCUSSION

Khanapur taluk is situated towards the western part of Belgaum district. The total geographical area of the taluk is 17296 sq.km. As per the 2001 Census, the total population of the taluk is around 35264, out of which female population is 48%. As per the Agricultural Census of 2005-06, the total number of land holdings in Khanapur taluk of Belgaum district is 34801 and the area of land holdings is 71173 hectares. Under female agriculturists, the total number of land holdings is 2591 and the area of land holdings is 4786 hectares. As per the Annual Season and Crop Report of 2009-10, the net area sown in the taluk is around 48502 hectares and the Gross sown area is around 49495. Its economy is mainly based on agriculture and is famous for cultivation of crops like sugarcane, rice, millet and fruits like chikoo, guava and jack fruit. It is also known for its food items such as puffed rice and jaggery.

### Socio-Economic Profile of the respondents

From the field survey, it is found that majority of the women SHG members belonging to agriculture families are from General Category (72%), followed by SC (12%). With regard to education, 64% of them completed their elementary education and 32% are still illiterate. This is evident from the field survey. Nearly 80% of the respondent's size of the family members lie in the class of 0 to 5 and 16 % of them have more than 10 family members. (Refer Table 1).

**Table 1: Distribution of size of family members of the respondents**

No. of Family members	Frequency	Percent
0 to 5	40	80
5 to 10	2	4
10 and above	8	16
Total	50	100

Source: Field Survey

With regard to land holdings, we find that 16 % of them don't have land. They work as Coolie in other person's land to sustain their livelihood. The range of land holding pattern lies from 0.5 acres to that of 10 acres. 32% of them have land holdings of one acre, following by those having 0.5 acre of land holdings. 12 % of them have land holdings of more than 5 acres. Those who have larger acres of land don't show much interest in carrying out the agricultural activities. They remain as housewives. (Refer table 3)

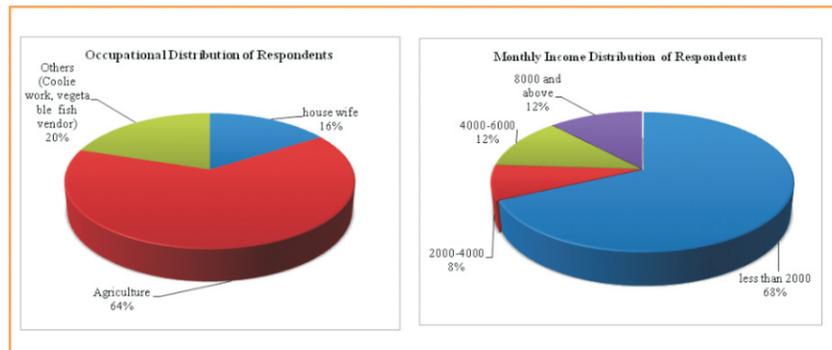
**Table 2: Land Holdings Pattern of the Respondents**

Land Holdings (Acres)	Frequency	Percent
No land	8	16
0.5	12	24
1	16	32
2	2	4
2.5	2	4
5	4	8
10	6	12
<b>Total</b>	<b>50</b>	<b>100</b>

Source: Field Survey

With regard to occupation, 64% of them work in their own lands and the rest though they are from agriculture families; they support their families by selling vegetables and fish and working as Coolie in others land. (Refer Table 2). Some of them are just housewives especially those who have larger acres of land. With regard to their monthly income, it is found that 68% of their family income is less than 2000. They have smaller landholdings. Likewise 12% of the respondent's family income is more than Rs. 8000. They belong to joint families and have landholding of around 10 acres. (Refer Chart 1)

**Chart 1: Occupation and Income Pattern of the Respondents**



Source: Field Survey

**Saving Pattern**

Table 3 reveals the saving pattern of the women SHGs belonging to agriculture families. In the initial stage, when they joined SHG, they contributed Rs 10 as their initial savings per week. There is shift in this initial savings in current situation. The current savings are now in the range of Rs. 10 to Rs. 25. 32% of them are now contributing Rs.15 and 16 % of them are contributing Rs.25 weekly.

**Table 3: Saving Pattern of the Respondents (in Rs.)**

Current Savings (in Rs.)	Frequency	Percent
10	16	32
15	16	32
20	10	20
25	8	16
Total	50	100

Source: Field Survey

Among those who contribute their savings to SHGs, 76 % of them revealed that the source of their savings is from their husbands and the rest 24% of them contribute through their own earnings. (Chart 2)

**Chart 2: Source for Savings of the Respondents**

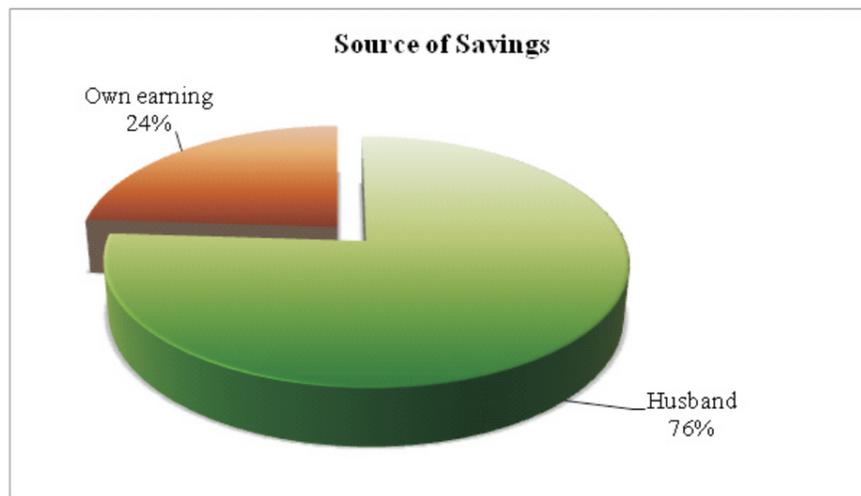


Table 4 depicts the contribution of savings per week by the respondents based upon their monthly income classes. It reveals that majority of the respondents whose income is less than Rs. 2000 is contributing Rs.10 to Rs. 20. The weekly savings of Rs. 25 is contributed by those respondents who lie in the monthly income group of Rs. 8000 and above.

**Table 4: Distribution of Weekly savings according to income groups of the respondents.**

Income Group	Rs. 10	Rs. 15	Rs. 20	Rs. 25	Total
less than 2000	14	14	6	0	34
2000-4000	0	0	4	0	4
4000-6000	2	2	0	2	6
8000 and above	0	0	0	6	6
Total	16	16	10	8	50

Source: Field Survey

**Loan Utilization of Respondents**

The men folk of the agricultural families are engaged in carrying out the agriculture activities. They take huge amount of loan from banks, money lenders etc, and held up not repaying them fully or partially. The women folk try to support them and also contribute to their household income with the help of SHG Loan. They invest the SHG Loan in agricultural activities. From the field survey, we found that nearly 80 per cent have taken loan from SHGs and the rest have not taken the loan of them took loan mainly for carrying out the agricultural activities, and 5 per cent of them said the purpose of their loan was to support their husbands in repaying back their old debts. A mere 10 per cent of them took loan for maintaining their household activities.

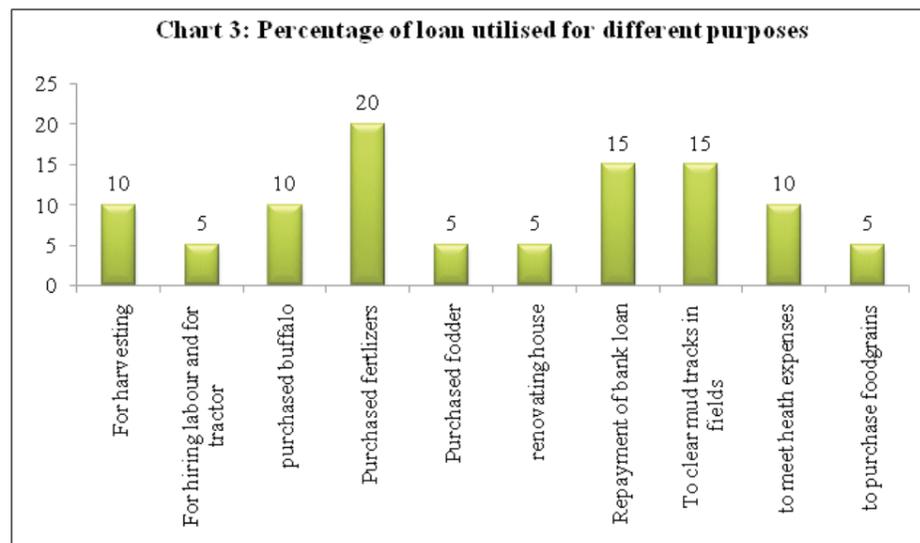
Table 5 shows the amount of loan that they have taken through SHG. It reveals that 70 per cent of them took loan of Rs. 5000 to 10,000, followed by 10% who took less than Rs.5000. Only 5 percent were such that they took loan of Rs. 30,000 and above. The loan repayment is generally two years.

**Table 5: Amount of loan borrowed from SHGs**

Loan Amount Borrowed	Frequency	Percent
less than 5000	4	10
5000-10000	28	70
10000-20000	2	5
20000-30000	4	10
30000 and above	2	5
Total	40	100

Source: Field Survey

The utilization of the loan is shown in Chart 3. It reveals that majority of them have utilized their loan mainly for purchasing fertilizers (20%). 15 per cent each of them have utilized their loan for clearing the mud tracks in the land and to repay the old loans taken by their husbands. Likewise 10 per cent each of them have utilized their loan for harvesting, to meet their health expenses and also have purchased buffaloes for the purpose of animal husbandry. And the rest 5 per cent each of them have utilized their loan for hiring labour and tractor charges, to purchase fodder, food grains and for renovating their house.



Source: Field Survey

**IMPORTANT FINDINGS**

The following are the important findings of the study. They are:-

With regard to occupation, 64% of them work in their own lands and the rest though they are from agriculture families; they support their families by selling vegetables and fish and working as Coolie in others land.

Majority of the respondents whose income is less than Rs. 2000 is contributing Rs.10 to Rs. 20. The weekly savings of Rs. 25 is contributed by those respondents who lie in the monthly income group of Rs. 8000 and above.

After they have joined SHG, the dependency on money lenders is totally absent among the respondents interviewed.

64% of the respondents have also joined other SHGs. Out of these just 12.5% of them have taken loan from these SHGs.

Majority of them are utilized their loan for purchasing fertilizers in the study area. Some of the respondents working as Agriculture laborer in others, said that they want to stick to that work because they gain some benefits. They get some food grains, fodder and vegetables for their consumption apart from the wages they get.

#### CONCLUSION

Self Help Groups have encouraged the members to inculcate the habit of saving. The members have increased the amount of their savings after they have joined the Self Help Groups. The loans taken by the women SHG members have helped them to utilize that loan for different types of agricultural activities. They include purchasing of fertilizers, hiring of labour and tractor charges, harvesting and clearing mud tracks on agricultural fields. The women members of SHGs practicing agriculture should be properly and adequately financed so that they can sustain their livelihood and carry some income-generating activities through which they can increase their income. Most of the women members of the SHG practising agriculture also get their financial support from their husbands. Therefore they should be encouraged to carry some income generating activities through which they can become financially independent.

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